

Message Text

CONFIDENTIAL

PAGE 01 STATE 048828
ORIGIN AF-08

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 TRSE-00 AID-05
IGA-02 CIAE-00 INR-07 NSAE-00 OMB-01 L-03 /047 R

DRAFTED BY AF/W:GADIES:LFS
APPROVED BY AF/W:TWMSMITH
-----060141 043585 /73

R 042142Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY OUAGADOUGOU
AMEMBASSY ABIDJAN
INFO AMEMBASSY LONDON
AMEMBASSY PARIS

C O N F I D E N T I A L STATE 048828

E.O. 11652: GDS

TAGS: BEXP, EAIR, UV, XY, US

SUBJECT: PAN AFRICAN AIR INDUSTRIES (PAAI)

REFS: (A) LONDON 3100 (NOTAL), (B) STATE 39412 (NOTAL),
(C) OUAGADOUGOU 655 (NOTAL), (D) OUAGADOUGOU 496,
(E) ABIDJAN 1494

SUMMARY: PAAI SHAREHOLDER BARRON AND PAAI ATTORNEY
CONTRUCCI VISITED DEPT FEBRUARY 28 TO REPORT PAAI'S CON-
TINUING SEARCH FOR FINANCING FOR PURCHASE OF BELFAST AIR-
CRAFT. UK MINISTRY OF DEFENSE (MOD) DID AGREE TO THREE-
WEEK EXTENSION OF DEADLINE, WHICH NOW SET AT MARCH 15 FOR
PAYMENT OF APPROXIMATELY DOLS 5 MILLION. BARRON AND OTHER
MAJOR PAAI BACKER NOW SEEKING FUNDS THROUGH US CONTACTS, AS
MIDLAND BANK OF ENGLAND STILL INSISTS THAT ANOTHER BANK
SHARE RISK BEFORE IT WILL AGREE TO LOAN FUNDS. MEANWHILE,
PAAI PRESIDENT COL. THOMAS D. ROBERTSON HAS GONE TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 048828

ABIDJAN FOR TALKS WITH GOIC IN HOPES OF TAPPING GOIC FUNDS
OR ASSISTANCE IN FINDING REMAINING CASH NEEDED TO SECURE
BELFAST AIRCRAFT PURCHASE. IN SHORT, WITH LESS THAN TWO
WEEKS LEFT BEFORE MOD DEADLINE, PAAI IS AS UNPREPARED AS
IT WAS ONE MONTH AGO TO MEET ITS FINANCIAL OBLIGATIONS
WITH REGARD TO BELFAST DEAL. END SUMMARY.

1. DEPT (AF/W) WAS VISITED BY GENERAL JOSEPH W. BARRON (USAF-RET.), PAAI SHAREHOLDER, AND MR. JOHN CONTRUCCI, ATTORNEY FOR PAAI ON FEBRUARY 28. PURPOSE OF MEETING WAS TO RELATE LATEST EFFORTS BY BARRON AND ALBERT PAXTON, ANOTHER PAAI SHAREHOLDER, TO SECURE FINANCING IN EUROPE FOR PURCHASE OF BELFAST AIRCRAFT. (AS REPORTED REFS A AND B, PAAI WON BIDDING ON BELFAST, BUT FOUND OUT AFTER ITS BID ACCEPTED THAT ITS FINANCING ARRANGEMENTS HAD FALLEN THROUGH.) BARRON/PAXTON GENERALLY UNSUCCESSFUL IN REACHING TOP-LEVEL OFFICIALS OF EUROPEAN BANKS THEY CONTACTED, AND WERE UNABLE SECURE COMMITMENT FROM ANY FINANCIAL INSTITUTION TO PARTICIPATE IN FINANCING OF BELFAST PURCHASE. BARRON AND PAXTON PLAN ACTIVELY PURSUE THEIR SEARCH THIS WEEK WITH US BANKS.

2. BARRON REPORTED THAT WHILE HE AND PAXTON IN LONDON WEEK OF FEBRUARY 21, COLONEL THOMAS D. ROBERTSON, PAAI PRESIDENT, ALSO IN LONDON, RECEIVED CABLE FROM ANTOINE YAMEOGO (VOLTAN EX-IMF EXECUTIVE DIRECTOR, AND PAAI SUPPORTER/SHAREHOLDER) INVITING ROBERTSON TO MEET YAMEOGO IN IVORY COAST FOR PURPOSE OF MEETING WITH GOIC PRESIDENT HOUPHOUET-BOIGNY. YAMEOGO HINTED IN HIS CABLE THAT GOIC WOULD BE IN POSITION TO SOLVE REMAINING PROBLEMS IN ARRANGING FINANCING FOR BELFAST. ROBERTSON IMMEDIATELY DEPARTED FOR ABIDJAN.

3. ON OR ABOUT FEBRUARY 25, ROBERTSON SENT CABLE TO PAXTON FROM ABIDJAN WITHDRAWING ASSIGNMENT OF BELFAST AIRCRAFT TO PAXTON (AIRCRAFT HAD BEEN LEGALLY ASSIGNED TO PAXTON IN ORDER PERMIT PAXTON USE THEM AS COLLATERAL IN HIS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 048828

SEARCH FOR FINANCING). BARRON/PAXTON INTERPRETED THIS MOVE BY ROBERTSON AS INDICATING THAT HE MIGHT BE ABOUT TO STRIKE PRIVATE DEAL WITH GOIC, LEAVING THEMSELVES EMPTY-HANDED. IN ADDITION, BARRON/PAXTON FEAR THAT GOIC WOULD MERELY ACT AS SURROGATE FOR FRENCH INTERESTS. IF IVORIANS BECOME INVOLVED WITH GOIC, BARRON SURMISES THAT AIR AFRIQUE WILL EXERT PRESSURE THROUGH GOIC TO GAIN SOME SHARE OF CONTROL OVER PAAI OPERATIONS. SUBSEQUENT PHONE CALLS TO ROBERTSON AND YAMEOGO IN ABIDJAN BY BARRON FAILED TO ELICIT ANY COMMENT ON CURRENT STATUS OF TALKS WITH GOIC.

4. COMMENT: IN SUM, WITH LESS THAN TWO WEEKS TO GO BEFORE FINAL DEADLINE FOR FULL PAYMENT ON BELFAST AIRCRAFT, PAAI STILL LACKS THE NECESSARY FINANCING CASH. IN ADDITION, RATHER THAN WORKING TOGETHER, TOP PAAI MANAGEMENT AND SHAREHOLDERS SEEM TO BE WORKING AT CROSS-PURPOSES. FINALLY, SPECTRE OF IVORIAN CONNECTION RAISES FEARS ON PART OF PAAI SHAREHOLDERS THAT THEY MIGHT LOSE CONTROL OF BELFAST AIRCRAFT. THIS LAST PROSPECT PARTICULARLY GALLING TO PAAI

SHAREHOLDERS AS THEY REGARD BELFAST DEAL AS TREMENDOUS
COUP IN TERMS OF PUBLICITY, PRESTIGE, AND ACCESS TO
INEXPENSIVE AIRCRAFT. END COMMENT.

5. FOR ABIDJAN: IF COL. ROBERTSON CHECKS IN WITH EMBASSY
(AS HE OFTEN DID WHEN IN OUAGADOUGOU), PLEASE REPORT PRO-
GRESS OF HIS TALKS WITH GOIC. REFTELS A, B, AND C BEING
REPEATED ABIDJAN.
CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMERCIAL AIRCRAFT, BANK LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE048828
Document Source: CORE
Document Unique ID: 00
Drafter: GADIES:LFS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770077-0205
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770390/aaaadcbd.tel
Line Count: 125
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 77a8adbd-c288-dd11-92da-001cc4696bcc
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 LONDON 3100, 77 STATE 39412, 77 OUAGADOUGOU 655, 77 OUAGADOUGOU 496, 77 ABIDJAN 1494
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3202725
Secure: OPEN
Status: NATIVE
Subject: PAN AFRICAN AIR INDUSTRIES (PAAI)
TAGS: BEXP, EAIR, UV, XY, US, PAAI
To: OUAGADOUGOU ABIDJAN
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/77a8adbd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009